February 5, 2002

Via Electronic Mail (Robert.Clarke@uspto.gov)

Robert A. Clarke
Commissioner for Patents
United States Patent and Trademark Office
Box Comments Patents
Washington, DC 20231

RE: American Corporate Counsel Association Comments Regarding
Search Criteria and Processes for Business Methods Patents
(June 5, 2001 Notice of Request for Public Comment)

Dear Commissioner Clarke:

The American Corporate Counsel Association (ACCA) represents approximately 12,000 individual in-house counsel members who act as in-house counsel to more than 4,500 separate business and not-for-profit organizations across the United States and overseas. ACCA is the only national bar association exclusively serving the professional needs and interests of in-house counsel to corporations and other private sector organizations. Given that corporations and private organizations are the assigned owners of the vast majority of patents issued in the country, ACCA welcomes the opportunity to address important issues directly impacting its members.

We are writing in response to the June 5, 2001 Federal Notice submitted by the U.S. Patent and Trademark Office (USPTO) regarding search criteria and processes for business method patents. ACCA commends the USPTO[1]s continued efforts to identify additional prior art resources and to integrate review of those resources into the examination process for business method patents. These efforts, along with other steps outlined in the March 2000 Director Initiatives, have contributed to the quality of business method patents issued by the USPTO. Just as importantly, these efforts have also increased the general public[1]s understanding of the complex issues surrounding business method patents.

Many Concerns with Business Method Patents Seem to Originate with NPL

In addition to efforts directed towards the identification and integration of commercial prior art databases, ACCA believes that attention should be directed towards the possible benefits of greater inclusion of non-patent literature (NPL) prior art as part of the examiner[1]s criteria. Many of the fears expressed regarding business method patents appear to take root in the widely held belief that NPL prior art exists but is not identified or considered in the application or examination process.

This impression surfaced in a recent non-scientific ACCA survey of its members practicing intellectual property law. That survey, conducted prior to a May 31, 2001 joint ACCA-USPTO IP Forum, showed that ACCA members have the same concerns as many commentators regarding what may be refer to as the [3]patent worthiness[2] of business method patents that while business method patents may be patentable under Title 35 or case law, many people still retain a personal and subjective belief that most business method patents

are simply not worthy of the perceived high value of a United States patent. This appears to be a common perception.

The most challenging aspect of this finding is that such subjective beliefs are difficult, if not impossible, to address through new patentability restrictions or revised examination procedures. Accordingly, legislation addressed to patentability or examination issues for business method patents as a separate group may not impact the core reason for the fears many have expressed regarding business method patents.

The key to combating the impression that business method patents are not patent-worthy seems to center on NPL prior art. Many commentators have stated that both applicants and the USPTO are not locating and considering directly relevant NPL, in large part because that NPL does not reside in any commercial database and remains undiscovered by both. Many commentators and members of the public also seem to believe that uncited NPL must exist for business method patent claims that merely computerize long used business processes. Thus, there appears to be a strong impression that NPL exists with the potential to invalidate issued business methods patents or pending applications for business method patents, but has not been captured by commercial prior art databases and is unavailable to the USPTO examiner.

ACCA submits that effort should be directed toward exploring the accuracy of this impression. Those efforts could include, among other things, a study of the commercial availability of NPL cited in business method patent applications, a more scientific survey of the public and practitioners about their beliefs in this regard, or a sampling of the role of NPL in reexamination, reissue or interference proceedings involving business method patents.

The PTO and Congress Should Explore Creation and Use of Private NPL Databases

If it is confirmed that NPL has a role in fostering concerns with business method patents, ACCA recommends that the USPTO and Congress explore providing government support for the creation of an independently owned and operated NPL database. The database could be comprised of at a minimum, prior art disclosures submitted directly by third parties and the NPL submitted to the USPTO with past and future business method patent applications.

At least one private, for-profit defensive disclosure sites exists (see, e.g., www.PriorArt.com), validating the demand for this type of resource in the open market. However, the cost and limited use of that site for software defensive disclosures only, in addition to its inability to capture the NPL that has been identified in pending patent applications, makes its ability to significantly solve this potential problem questionable.

ACCA believes that one or more private entities, sanctioned and supported by the federal government, is best suited to create a comprehensive and reliable NPL prior art database that is affordable and trusted by all potential users. Many of the most vocal critics of the business method patents issued by the USPTO are programmers and developers who advocate open-source (e.g., public domain) software and openly challenge the wisdom of software and business method patents in society. ACCA believes that addressing the concerns of these critics is central to the debate over

business method patents and that these critics must accept and use any NPL database that might be created. A database run by private parties actively attempting to prevent the issuance of business method patents where legitimate prior art exists, rather than one run by the institution whose mandate is to issue patents, would seem more likely to lead to acceptance and use by these parties. For these reasons, ACCA believes that any effort of this nature is most likely to be successful if the organization operating such an NPL database is non-governmental.

The theoretical benefits of having such a database seem clear. First, it could provide an important source of NPL prior art which is apparently either unavailable to examiners in commercial databases or is unreasonably difficult to locate. Second, it could also provide a secure and affordable location for defensive disclosures by those who have been critical of business method patents or support open-source software development. Lastly, it could provide otherwise unavailable prior art to potential applicants prior to filing, which in turn would lead to fewer and higher-quality business method patent applications for the USPTO. Moreover, if successful regarding business method patents, this concept of an independently owned and operated NPL database may benefit other types of patents.

Conclusion

Improving the quality and value of business method patents is an important issue for ACCA members. The USPTO's on-going efforts to solicit Comments such as this and continually improve the examination process demonstrate the USPTO's resolve to address the concerns that have been raised. ACCA looks forward to continuing to work with the USPTO on the ideas and suggestions raised in this Comment, and on other issues.

Respectfully submitted,

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